



50

1966
2016

YEARS

Annual Report

2016



ARTHRITIS
NEW ZEALAND

KAIPONAPONA AOTEAROA

50 YEARS

1966
2016

FOUNDED 1966	1978 TELETHON RAISES \$3,002,750	
1983 FIRST STREET APPEAL	1986 FIRST RESEARCH FUND	1988 FIRST AWARENESS CAMPAIGN
1990 KIDS WITH ARTHRITIS FORMED		2002 STRUCTURAL CHANGES
2011 0800/CLINICS INTRODUCED	620,000 PEOPLE LIVING WITH ARTHRITIS IN NEW ZEALAND, 2016	

Contents

Arthritis New Zealand2

President’s Report.....4

Governing Body5

Chief Executive’s Review.....6

The Year in Review.....7

Acknowledgements13

Financial Report.....14

Auditor’s Report15

Financial Statements16

Notes to the Financial Statements20

Grants and Bequests29



**ARTHRITIS
NEW ZEALAND**

KAIPONAPONA AOTEAROA

*Improving the lives of
people affected by arthritis*

*Te whai kia pai ake te hunga
kua pāngia e te kaiponapona*

Arthritis New Zealand

■ Our Mission

Improving the lives of people affected by arthritis

Te whai kia pai ake te hunga kua pangia e te kaiponapona

Arthritis New Zealand is the trading name for the Arthritis Foundation of New Zealand Incorporated, a registered New Zealand charity. We are an incorporated society that has been operating since 1966, with over 3,000 current members.

Arthritis New Zealand facilitates the provision of quality services and programmes, supporting those affected by arthritis through public awareness, information and advice, direct support, promoting the issues affecting people with arthritis and promoting research. Our National Office is based in Featherston St, Wellington with 8 offices from which we provide services throughout the country.

There are over 620,000 people in New Zealand living with a diagnosis of arthritis making it one of the leading causes of disability in New Zealand. The World Health Organisation (WHO) global burden of disease study released in 2012 showed musculoskeletal conditions, including arthritis, are leading causes of burden of disease internationally. While not the leading cause of death the increasing rates of osteoarthritis and lower back pain and the lower age of diagnosis for these conditions means that for individuals, the community and the government these conditions have a huge impact on the life and health of people affected.

There is no cure for arthritis, but it can usually be managed, and most people with arthritis can continue to lead productive and fulfilling lives. For the person who has been diagnosed with arthritis and for the family members who support them Arthritis New Zealand provides information, advice, support and links to others in a similar situation.

■ Our Values

We are committed to working in ways that demonstrate our values of:

Putting People First

We demonstrate our commitment to being people-centred by:

- Acknowledging the personal and social impact of arthritis
- Recognising and celebrating success and achievement
- Being responsive to client, donor and member needs
- Developing our staff and volunteers
- Providing a welcoming workplace

Respect

We show respect by:

- Acknowledging all people in a culturally appropriate way
- Encouraging open and honest communication
- Recognising the diversity of contributions from our stakeholders

Integrity

We demonstrate integrity by:

- Following through commitments in a timely way
- Being accountable for all our activities
- Being totally trustworthy and honest in all our actions
- Providing clear and consistent information

Excellence

We strive to achieve excellence by:

- Providing evidence-based services and information
- Aiming for continuous improvement in all our actions
- Building on our strengths to make things happen
- * Sharing information

Our Programmes

<p>Advocacy</p>	<ul style="list-style-type: none"> • Advocacy programmes which promote the needs of people living with arthritis • We actively engage with policy that affects people with arthritis, e.g. health, work issues • Arthritis New Zealand works in partnership with other agencies to address issues of musculoskeletal health • We are an active leader in the charity sector
<p>Awareness</p>	<ul style="list-style-type: none"> • Awareness campaigns “Arthritis: It could surprise you” continue • Active media presence which reinforces the role of Arthritis New Zealand as first point of contact for people with arthritis • High quality information resources are provided in electronic and printed format • Website and other technologies to meet current and future needs
<p>Information and Advice</p>	<ul style="list-style-type: none"> • Group and individual advice are provided in a timely relevant manner • Phone and web based services are provided to meet needs of identified populations • We deliver effective programmes to priority populations • We support primary and secondary health care services to meet the needs of people with arthritis
<p>Research</p>	<ul style="list-style-type: none"> • We award research grants supporting New Zealand based research into arthritis • Arthritis New Zealand commissions research that demonstrates outcomes that further our strategy • Arthritis New Zealand evaluates programmes to demonstrate outcomes • Arthritis New Zealand publishes and promotes research outcomes
<p>Support Services</p>	<ul style="list-style-type: none"> • We provide a range of volunteer led support services nationally • We provide a Peer Support programme for people newly diagnosed with arthritis • We support volunteers to develop and run programmes • We provide support services for priority populations groups
<p>Future Proofing</p>	<ul style="list-style-type: none"> • We review our organisational and governance model • We implement effective and sustainable funding to meet or exceed programme needs • We have developed a role as an umbrella for organisations with similar goals • We ensure the organisation meets current best practice processes in financial, IT and human resource management



**ARTHRITIS
NEW ZEALAND**

KAIPONAPONA AOTEAROA

*Improving the lives of
people affected by arthritis*

*Te whai kia pai ake te hunga
kua pāngia e te kaiponapona*

President's Report

A Jubilee is a time to celebrate – and as this report shows Arthritis New Zealand has indeed celebrated the 50th anniversary of our founding in 1966. We have held national events such as the inspiring Awards night hosted by our Patron, the Governor-General His Excellency the Rt Hon Lt General Sir Jerry Mateparae and his wife Lady Janine Mateparae. We have also held regional events. Our anniversary stamp, in conjunction with NZ Post brightened many envelopes over the year.

In addition to the Jubilee events the organisation has continued to deliver the services people have valued. Within this report you will find the record of our programmes. For the people who access our services the impact is significant. Reports from services as varied as our Arthritis Educators, the camp for children, water based exercise classes and the researchers who receive our grants can all testify that our services have improved the lives of people affected by arthritis.

The ongoing challenge is to ensure that our services reach the right people at the right time and in the right format. We can see this has changed over the past fifty years. We know it will continue to change. The strength of our longevity is that we have been able to adapt our services to meet changing needs.

Following four years of reporting a significant financial surplus unfortunately this year we are reporting a deficit. This deficit is a direct result on reliance on community donations to maintain and develop our services. In the past financial year we have experienced lower than forecast income from our community fundraising and from bequests.

Thankfully with our history we have sufficient reserves from past years to cover this deficit. The Governing Body has taken the long view of our finances – as we must. However because we are reliant on the community for our funding we must also be prudent about ensuring we can run sustainable services.

Coming in as the 13th President of this great organisation as the Jubilee year commenced has been humbling. The Presidents who served before me have all created a legacy of a strong organisation committed to meeting the needs of people with arthritis. Over the years how we do that has changed, and will continue to change but the unwavering commitment to meeting the current and future needs of people with arthritis is consistent. We need to continually challenge ourselves that what is fit for purpose now or in the past is unlikely to be fit for purpose in the future. Digital technology is a clear example of how quickly we need to move and be forward thinking.

As we look ahead to the 75th and 100th anniversaries of Arthritis New Zealand my task is to ensure the organisation continues to speak out for people with arthritis. This can only be achieved in partnership with our many supporters – members, clients, donors, funders. Thanks for your support to date and I look forward to working alongside you into the future as together we working on **improving the lives of people affected by arthritis.**

Peter Larmer

President



Our Governing Body

Governing Body members represent the interests of the organisation's members, volunteers, the wider community, donors and supporters.

Members 2015/2016

Peter Larmer (*President*)

Alan Henwood (*Immediate Past President*)

Digna Toresen (*National Representative*)

Laurie Breadmore (*Midland Central Representative*)

Deirdre Lusby (*Southern Representative*)

Roy Tiffin (*Appointed Member*)

Rebecca Grainger (*Appointed Member*)

Martin Lenart (*Appointed Member*)

Steve Renata (*Appointed Member*)

Joe Stanton (*Appointed Member*)

Greg Tolan (*Northern Regional representative until May 2016*)

Responsibilities:

- To provide strategic direction and leadership for the entire organisation.
- To ensure the organisation is soundly managed.
- To work in close partnership with the Chief Executive to ensure the Governing Body's goals and objectives are achieved, supporting and resourcing the Chief Executive to carry out her responsibilities.
- To appoint and monitor the Chief Executive, ensuring the organisation employs the best person for the position and provides fair and appropriate terms and conditions of employment.
- To develop and monitor policies, which provide direction and boundaries for both its own and the Chief Executive's functions.
- To establish Governing Body Committees or working groups as it sees fit.



Back row, left to right: Roy Tiffin, Steven Renata, Peter Larmer, Joe Stanton, Greg Tolan, Martin Lenart.
Front row, left to right: Alan Henwood, Deirdre Lusby, Laurie Breadmore, Digna Toresen, Rebecca Grainger.

Profile: Steven Renata

Steven is the CEO and global director of business development for KIWA®, bringing with him over a decade of international sales and account management experience. He has spent the last 20 years dedicated to building a global wellness company – Les Mills International. During that time, the company grew from a small start-up to a \$100 million business with a presence in over 100 countries. He has also held a variety of senior roles, including serving as a Board Member and Chief Executive of Les Mills West Coast and the company's Global Sales Director. Steven's experience helping to create a global movement offers KIWA® numerous insights into how modern 'tribes' emerge, survive and thrive.

He is passionate about the role of governance in organisations and grateful and motivated for the opportunity to serve on the Board and progress the responsiveness to the over representation of Maori living with arthritis.

Chief Executive's Review

The past year has been one of great activity to mark the Jubilee of the organisation and to continue to speak out for all people affected by arthritis in New Zealand.

In 2013 the Governing Body signed off our current Strategic Plan with challenging targets for us to achieve as we continued our mission. Our team of paid and volunteer staff have worked hard to achieve most of these targets.

We have maintained high awareness of Arthritis New Zealand – our market research survey in July 2015 showed we have awareness levels to 80%. Our website visit numbers have increased from 50,000 per annum only three years ago to over 250,000 this year. Calls to our 0800 number have also increased – though not as fast as the website visits. We know that for many people being able to get access to services through a click on the website or a call on the phone gives an instant response. The popularity of our website and the interactions on social media such as Facebook underline just how often people are looking for advice, information and support outside of office hours.

We have maintained our number of client information contacts at over 20,000 per annum with a significant change on how people access the Arthritis Educator services. While more of our services are available by phone and on line our Arthritis Educators have visited towns from Awanui in Northland to Riverton in Southland with seminars and clinics for all forms of arthritis including gout.

Gout remains the second most common form of arthritis in New Zealand. We have been proud this year to have been part of a multi-disciplinary team working to "Stop Gout" in Northland. This programme has involved the District Health Board, the GP practices, the pharmacists and Arthritis New Zealand. It has assisted a number of people in

Northland to manage their gout and prevent crippling gout attacks. For now we don't have a cure for gout – but it can be managed. There is no shame in having gout – we know so much about the genetic cause of gout that the finger pointing must stop. There has been interest in this programme from across the country and the wider Pacific. Community education as well as individual care have made a difference.

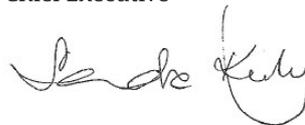
As an organisation we continue to be passionate about research. This year we have again provided five research grants supporting New Zealand based research into arthritis. There were two summer scholarships awarded. Our staff have contributed to a number of research projects and we have actively supported consumer engagement in research. The rheumatoid arthritis Patient Portal is an example of ensuring that people with rheumatoid arthritis have an opportunity to participate in research about the outcomes that matter to them. Our own services are evidence based and we will continue to adapt and change our services as the evidence evolves to show where the most effective services can be found.

The credit for our success must be shared with all who contribute. From the President to the volunteer who collects for an hour on our Appeal day we are totally reliant on people both paid and volunteer, our reach and impact are the result of your hard work. To my dedicated colleagues, thank you.

As we move into the next phase of our organisational journey we know there is more to do. That so many people stumble across our services remains a challenge. We have to translate the 80% awareness that we exist to people using our services. We must make sure we use our precious resources to best effect. Our task remains a big one, but our passion and commitment are equal to the challenge.

Sandra Kirby

Chief Executive



The Year in Review

Advocacy

How many times have you struggled with the packaging of a product that you just could not easily open? We know from the feedback that we receive that very many people find product packaging difficult-and this applies not just to people with arthritis but the population at large

Dr Shane Reti MP for Whangarei and Chair of our Friends in Parliament group started a campaign to highlight the challenges in tear-open packaging and began a dialogue with some manufacturers to discuss how packaging could be easier to open. This campaign has led Arthritis New Zealand to discuss how we can build on this work.

ACC

We have continued our advocacy work on behalf of people who have had ACC claims declined on the grounds that their injury has been caused by underlying arthritis related degeneration rather than an accident. This is particularly an issue for older people – an Official Information Act query to ACC revealed that between 2007 and 2014 the overall percentage of declined claims for the over 65 age group was between 20% and 36% compared to the under 65 age group where the percentage of declined claims was between 8.4% and 20%.

Our advocacy has included making submission to ACC and Government and the Ministry of Health's Health of Older People Strategy and we are now awaiting a pending report commissioned by government which considers ACC processes.

Services for children and young people

Our annual camp for children with arthritis continues to be very popular. This year's camp was held in April and focussed on children newly diagnosed with arthritis. It attracted 26 families who greatly enjoyed the mix of educational and fun activities. A popular feature of camps is the role of Youth Leaders – young adults who grew up with arthritis and provide wonderful role models for children and provide parents with a mine of information about how to navigate the challenges of arthritis in childhood.

Tina talks to TV3 about scleroderma and packaging

Wellington member, Tina, featured in a TV3 news programme, Story, about her daily struggles with packaging and the need to make it easier for everyone to get at stuff without hurting their hands in the process.

Have you ever struggled to open a can, opening the lid of a jar or getting a pair of scissors out of its packaging?

The answer is probably yes so imagine what it must be like if you suffered from arthritis. TV3's Story met Tina McLean who suffers from arthritis and takes pride in her long painted nails. But they're not just cosmetic. They act as a purpose to open things – Tina spends up to 10 minutes a day opening food and everyday items around her house.

Going shopping is a daily frustration.

Tina suffers from a rare form of arthritis called scleroderma which means the skin on her hands hardens, loses sensitivity and it often hurts to open her hands.

Tina is among 620,000 people who suffer from arthritis in New Zealand – that's one in five over the age of 18.

Story investigated the leading cause of disability in New Zealand and what packaging companies have to do to make opening products easier.

Arthritis New Zealand is working with the Packaging Council of New Zealand to encourage other companies to invest in accessible packaging as a good business practice and we will be working with Arthritis Australia to build upon some excellent initiatives undertaken in Australia. We aim to achieve 'fit-for-purpose packaging' designed to be easy to open and have legible labelling without compromising product safety, integrity, or quality.

FIT FOR PURPOSE PACKAGING



Large, textured tabs are easily gripped.



Containers designed for easier holding while opening. Serrated edges on plastic packs require much less effort to tear open.

Below: Camp 2016.



Below: 2016 Arthritis New Zealand Awards. Left to right: Jacob Toresen, Cate Grace, Melissa McGregor, Mahe Drysdale, Their Excellencies Sir Jerry and Lady Janine Mateparae, Peter Larmer, Alice Jones, Professor Lisa Stamp, David Stevens.



Below: Blackmores Speakers Symposium. Left to right: Assoc. Prof Lesley Braun, Sandra Kirby, Alison Van Wyk (Green Cross Health), Deva Dha (Blackmore's).



Above: Competitor at Albany Show jumping event.



We also ran a camp for Teens in October 2015.

This combined sessions on how to manage arthritis with team building and a great selection of camp activities. A special feature of this camp was the making of video clips capturing the life of teens with arthritis, these clips are on our Youth Leaders page on our Facebook site.

Awareness

The Arthritis New Zealand Conference, Thursday 3rd – Saturday 5th March 2016 Te Papa Tongarewa, Wellington.

Held at the commencement of our 50th Jubilee year, the conference was an opportunity to consider the 50 years of Joint Action since 1966. Our opening was a real blast from the past when Frankie Stevens had us all on our feet dancing to 'Move it', a video we made in the 80s.

While the first two days were a time for staff to gather and share learning, the third day was the open public day, attended by an enthusiastic group of people with arthritis, health workers and policy makers. We explored models of care for arthritis, service delivery in the digital space as well as new treatments. Arthritis New Zealand funded research was showcased as posters

Blackmore's Speaker Series 7- 9 June 2016

Three events were held in Auckland, Wellington, and Christchurch, with speakers presenting on a range of topics including: using education to help manage pain, surgical options for arthritis, and the evidence behind complementary therapies. In addition there was a presentation from a 'face of arthritis' presenter.

These events were supported by Blackmore's and Green Cross Health and many in the audiences were from pharmacies who gave great feedback as to how useful the content was to their work.

Presenters include an arthritis educator, an orthopaedic surgeon and we were delighted to host Associate Professor Lesley Braun from the Blackmore's Institute Australia.

2016 Arthritis New Zealand Awards at Government House

In February His Excellency, The Governor General, Lieutenant General, The Right Honourable Sir Jerry Mateparae and Lady Janine Mateparae hosted these special awards that acknowledged outstanding recipients and the commencement of our 50th year.

Cate Grace received the Premier Award, Professor Lisa Stamp the Special Jubilee celebration Research Award. Mahe Drysdale received the Special Jubilee celebration Sports Award. Pfizer New Zealand the Business Development Award, Jacob Toresen the Young Achievers Award, David Stevens and Alice Jones the Distinguished Service Award.

Information and Advice

Online groups

We have established Facebook groups to provide consumer feedback on both packaging and employment issues for people with arthritis. This consumer feedback is an important component of our advocacy programmes and we aim to include consumer feedback in all our submissions.

The page views to our website continue to grow and our social media platforms are performing well.

Research

Research Grants 2015

Many grants from 2015 have commenced recruiting participants, and systems are in place to commence gathering data. One such project is Dr Nicola Swain's study trialling a new mindfulness-based on-line intervention for wellbeing in arthritis, which is making good progress. This project is a great example of partnership between researchers and Arthritis New Zealand, with ongoing consultation through the planning process.

The Arthritis New Zealand logo was used on the University Blog and Facebook page and research assistants were in contact with local arthritis educators. Enrolment exceeded expectations so promotion had to halt due to high numbers of potential participants! We look forward to seeing the results next year.



Cate Grace receiving the Premier Award.



National Management team. Left to right
Tui Tararo, Francesca Holloway, Paul Barclay, Cathie Morton
Rob Mitchell, Dianne Armstrong, Sandra Kirby, Karen Baker.



Arthritis New Zealand staff members Brenda Iseli and Georgia Grant-Mackie with Hans Iseli and Dr Shane Reti MP, at the Ngapuhi Festival.

Priority Populations

The Stop Gout programme

Mr J is a 64 year old Maori male working at the oil refinery. His grandfather, mother, numerous uncles and nephews all have gout, but to date his two brothers don't get gout. In addition he has osteoarthritis and had a total knee joint replacement in 2002 and hip replacement in November 2010.

His first gout attack was in 2008 in his toe. Attacks were once a year on average but since 2012 attacks have increased in frequency and intensity to 2 to 3 times a year and also involving the right ankle, right foot and elbow. In the last 12 months he has had 4 or 5 gout attacks.

Gout first recorded as a diagnosis by his GP in 2014. No allopurinol had been prescribed prior to commencing on the blister packs project in May this year. Voltaren which had been prescribed and was effective for his osteoarthritis continued to be prescribed for gout attacks until his gastric bleed in October last year when voltaren was discontinued.

Taking his medications regularly is not a problem as he takes a blood pressure medication daily. With education he is now confident that it is OK to take allopurinol long term.

He has made considerable effort to modify his diet and lifestyle. He does not drink sugary drinks, has reduced his beer intake to two stubbies a week on average and now drinks 2L of water a day. He has reduced his red meat intake and lost 5kg over the last 4 months and feels much better.

Mr J is very pleased with the Stop Gout program and all his joints are feeling better. He appreciates the follow up and phone calls from Arthritis New Zealand educators and has no doubt he will continue with his treatment. He is surprised it has taken him so long to get on top of this problem.

Support Services

The Support for Newly Diagnosed (SND) service matches people who have lived with arthritis for a number of years with someone who is newly diagnosed with arthritis and seeking support. The SND service complements the Arthritis Educator service and the majority of the referrals come from Arthritis Educators.

Fifty-nine people with arthritis contacted the service during the 2015/2016 year and were put in contact with the 11 trained volunteers. The clients came from all across New Zealand, i.e. Hawera, Blenheim, Otaki, Whangarei, Dunedin, Napier, etc. Seven new volunteers were trained to enhance the range of arthritic conditions and life experiences.



National Office and Midland Central staff in new office.

Out going President, Alan Henwood presented with his Orange tie.



Above right: The Maori Gout Champions Training Workshop at Korauui Marae, Stokes valley, Below: Conference attendees exercising to Move it or Lose it DVD.



Acknowledgements

Our work is only possible with the help of many, and those listed below are but a few of our amazing supporters. Their financial support is vital to us.

Major Sponsors

Abbvie Limited, Unichem, Life Pharmacy, Pfizer New Zealand, New Zealand Lotteries Grants Board, BUPA New Zealand, Blackmores New Zealand, The Warehouse Region 4, Douglas Pharmaceuticals

Supporters

Orange Box, Z Good in the Hood, Signature Marketing

Partnerships in Action

Arthritis New Zealand values the partnerships we develop with our corporate supporters and their staff.

The Warehouse Region 4 stores continued during this year to support 'children with arthritis' and in particular our annual camp for children and their families

We were again delighted to be selected by a number of Z stations as part of their Z Good in the Hood programme. This programme has a huge profile and our staff and volunteers have lots of fun being concierge for a day on forecourts across the country.

Thank you all for your wonderful support



Christmas gift wrapping in Morrison Square. From left: Deidre Lusby, Era Greaves, Maurice Abrahams, Sue Fee



MPs Chris Bishop and Kris Faafoi at annual Arthritis New Zealand cricket match.



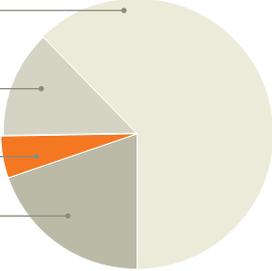
Above: The MP and Arthritis New Zealand cricket teams.

Below: Team OrangeBox at annual Arthritis New Zealand golf tournament.



Hon. Maggie Barrie and Georgina Greville appeal collecting.

The Year in Review

	Strategy	2015	2016 Target	2016
ADVOCACY <ul style="list-style-type: none"> • Improve the health and wellbeing of people with arthritis. • Support volunteer advocates to use their experience to highlight issues for people living with arthritis. • Raise the profile of arthritis as a serious health issue 	ON-LINE SURVEYS collect opinions of people with arthritis about issues affecting them.	3	4	4
	VOLUNTEER ADVOCATES AND PEOPLE TRAINED	75 <small>advocates</small>	100/30 <small>advocates/trained</small>	88/25 <small>advocates/trained</small>
	PARLIAMENTARY FRIENDS OF ARTHRITIS EVENTS	2	3	2
	SUBMISSIONS on issues affecting people with arthritis.	6	6	8
AWARENESS <ul style="list-style-type: none"> • Public recognises Arthritis New Zealand as a source of information, advice and support. • High quality information on arthritis available in a range of formats.  <div style="background-color: #f4a460; color: white; padding: 5px; display: inline-block;"> 81% public awareness </div>	 0800 CALLS	9,870	12,000	10,058
	 MEDIA RELEASES	66	48	75
	 WEBSITE PAGE VIEWS	239,248	200,000	278,575
	 NATIONAL CONFERENCE	–	200	160
	 SPEAKER SYMPOSIUMS	–	100	220
INFORMATION AND ADVICE <ul style="list-style-type: none"> • Group and individual advice for people living with arthritis. • Information and advice provided to health workforce to support others working with people living with arthritis. • Gout and osteoarthritis programmes tailored and delivered to Maori and Pacific people. • Programmes delivered to Maori and Pacific people. 	<div style="font-size: 3em; font-weight: bold; margin-bottom: 10px;">20,031</div> CLIENT INFORMATION CONTACTS			
	GROUP EVENTS: 12,509			
	INDIVIDUAL CLINICS/NEW CLIENTS: 2,613			
	FOLLOW-UPS: 1,014			
	BRIEF INTERVENTIONS: 3,895			
GROUP EVENT SATISFACTION	97%	75%+	96%	
HEALTH PROFESSIONAL TRAINING PROGRAMMES	–	60	63	
SPECIFICALLY TAILORED TRAINING PROGRAMMES	–	5	10	



SUPPORT SERVICES

- 620,000 people living with arthritis in New Zealand.
- Local support and exercise programmes supplied.
- Specific programmes for:
 - People newly diagnosed with arthritis.
 - Children with arthritis and their parents
 - Young people with arthritis.
- Train and support Gout Champions. (5 training sessions held in 2016)



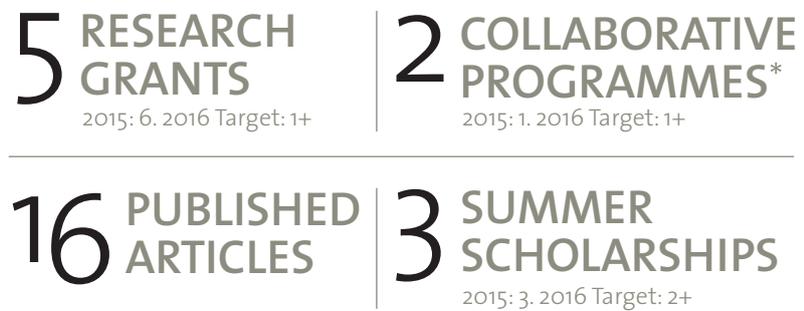
People in New Zealand over the age of 15 diagnosed with arthritis:

620,000



RESEARCH

- New Zealand based research on arthritis supported through research grants and summer scholarships.
- Research outcomes are promoted to stakeholders.
- Work collaboratively with researchers to ensure a range of research related to arthritis is undertaken.

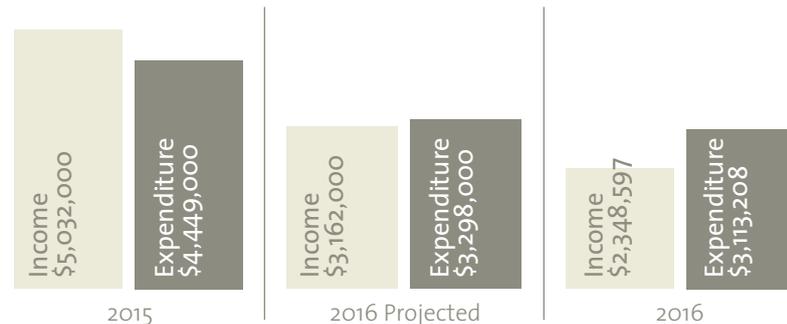


* 1: Waiariki BOP Polytechnic patient portal project. 2: Outcome tool for exercise programme.



FUTUREPROOFING

- Effective funding to meet or exceed programme needs is sustained.
- All accountability requirements are met.
- Services and fundraising programmes are reviewed with respect to future needs.



Finance Report: 2016

For the year ended 30 June 2016, Arthritis New Zealand recorded a net operating deficit of \$514,847 compared with a surplus of \$583,226 in the previous year.

This is a very disappointing result compared to recent years and highlights the difficulties being faced by charities in a challenging economic environment. It also highlights the impact that bequest income has had in recent years as income in 2016 was more than \$1million less than it was in the previous year.

Revenue from other sources was consistent with previous years and operating expenses were contained at the same level as the previous year.

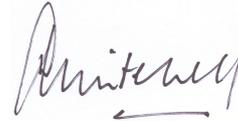
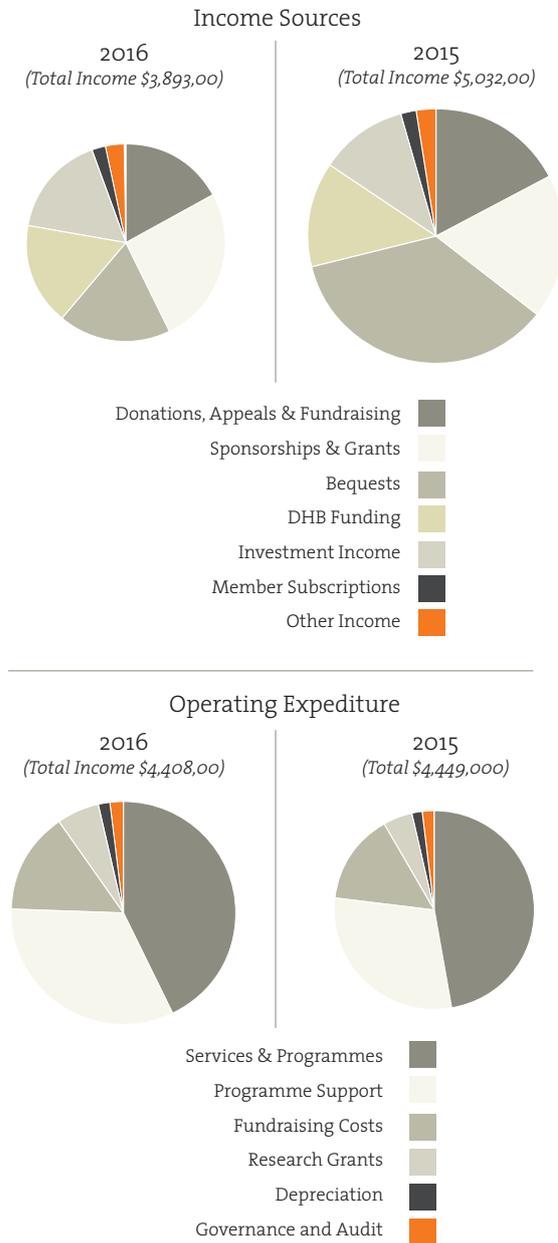
The drop in revenue has resulted in negative cash flow for the period which in turn has contributed to a reduced net asset position at year end.

Notwithstanding these impacts, Arthritis New Zealand still remains in a strong financial position and is well-placed to face the challenges of the next few years as it focuses on new strategic priorities.

We continue to focus attention on the need to find new sources of regular income to meet the rising costs of delivering the quality services we aspire to.

Rob Mitchell

Corporate Services Manager



Independent Auditor's Report

To the members of Arthritis Foundation of New Zealand

We have audited the accompanying financial statements of Arthritis Foundation of New Zealand Inc ("the Foundation") on pages 16 –28. The financial statements comprise the statement of financial position as at 30 June 2016, the statements of comprehensive revenue and expenses, changes in net equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the Foundation's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation's members as a body, for our audit work, this report or any of the opinions we have formed.

Governing Body's responsibility for the financial statements

The Governing Body are responsible on behalf of the Foundation for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit)) and for such internal control as the Governing Body determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided advisory services to the Foundation. These matters have not impaired our independence as auditor of the Foundation. The firm has no other relationship with, or interest in, the Foundation.

Opinion

In our opinion, the financial statements on pages 16 – 28 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the financial position of Arthritis Foundation of New Zealand as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit).

26 September 2016, Wellington

Statement of Financial Position

As at 30 June 2016

<i>in New Zealand Dollars</i>	<i>Note</i>	2016	2015
Assets			
Property, furniture and equipment	5	682,594	628,432
Investments	6	7,473,760	7,624,236
Trade and other receivables	7	102,372	110,129
Cash and cash equivalents	8	441,425	1,037,960
Total assets		8,700,151	9,400,757
Equity			
General Funds		907,871	1,558,584
Research Funds		2,545,388	2,488,022
Other Special Purpose Funds		1,684,725	1,671,544
Endowment Fund		1,240,351	1,196,266
Investment Fair Value Reserve		1,764,432	1,533,884
Total equity	9	8,142,767	8,448,300
Liabilities			
Managed Funds		–	184,676
Employee benefits	10	152,441	204,000
Trade and other payables	11	169,917	271,564
Revenue in Advance	12	235,026	292,217
Total liabilities		557,384	952,457
Total equity and liabilities		8,700,151	9,400,757

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Authorised for issue for and on behalf of the Governing Body

Chief Executive: 

President: 

Date: 26 September 2016

Statement of Comprehensive Income

For the year ended 30 June 2016

<i>in New Zealand Dollars</i>	<i>Note</i>	2016	2015
Revenue			
Contributions from the Community	13	2,379,989	3,588,542
Income from Services & Programmes	14	785,641	787,524
Members Subscriptions		81,926	87,659
Profit on Disposal of Fixed Assets		1,000	609
Total operating income		3,248,556	4,464,334
Expenditure			
Fundraising Costs	13	656,926	654,743
Expenditure on Services & Programmes	14	1,886,483	2,109,451
Administration Expenses	15	1,462,762	1,338,733
Governance Costs		59,077	58,178
Research Grants Awarded		270,085	210,140
Depreciation and amortisation expenses	5	72,847	76,979
Total operating expenses		4,408,181	4,448,224
Operating (deficit)/surplus before finance income		(1,159,625)	16,110
Net finance income	16	644,778	567,116
Operating (deficit)/surplus after finance income		(514,847)	583,226
Impairment of investments	17	21,234	–
(Deficit)/Surplus for the year	18	(536,081)	583,226
Other Comprehensive Income			
Net change in fair value of investments		230,548	206,666
Total Comprehensive Income for the year		(305,533)	789,892

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2016

<i>in New Zealand Dollars</i>	Note	Research Funds	General Funds	Special Purpose Funds	Endowment Fund	Investment Fair Value Reserve	Total Equity
Balance at 1 July 2014		2,362,635	1,416,769	1,403,354	1,148,432	1,327,218	7,658,408
Total Comprehensive Revenue and Expense for the year							
Surplus/(Deficit) for the period		125,387	351,555	58,450	47,834		583,226
Other Comprehensive Revenue and Expense							
Unrealised gain on revaluation of investments		–	–	–	–	432,093	432,093
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense		–	–	–	–	(225,427)	(225,427)
Transactions recorded directly in Equity							
Transfers between funds	9	–	(209,740)	209,740	–	–	–
Balance at 30 June 2015	9	2,488,022	1,558,584	1,671,544	1,196,266	1,533,884	8,448,300
Balance at 1 July 2015		2,488,022	1,558,584	1,671,544	1,196,266	1,533,884	8,448,300
Total Comprehensive Revenue and Expense for the year							
Surplus for the period		57,366	(699,132)	61,600	44,085	–	(536,081)
Other Comprehensive Revenue and Expense							
Unrealised gain on revaluation of investments		–	–	–	–	441,686	441,686
Cumulative gain on investments sold transferred to Statement of Comprehensive Revenue and Expense		–	–	–	–	(211,138)	(211,138)
Transactions recorded directly in Equity							
Transfers between funds	9	–	48,419	(48,419)	–	–	–
Balance at 30 June 2016	9	2,545,388	907,871	1,684,725	1,240,351	1,764,432	8,142,767

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

For the year ended 30 June 2016

<i>in New Zealand Dollars</i>	<i>Note</i>	2016	2015
Cash Flows from Operating Activities			
Cash was provided from:			
Contributions from the community		2,345,454	3,517,142
Income from Services & Programmes		793,398	845,598
Members Subscriptions		59,269	90,117
		3,198,120	4,452,857
Cash was applied to:			
Payments to suppliers		1,947,758	1,732,279
Payments to employees & volunteers		2,455,371	2,366,260
Research Grants paid		270,085	135,140
		4,673,214	4,233,679
Net Cash Inflow(Outflow) from Operating Activities	18	(1,475,094)	219,178
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of Property, furniture & equipment		4,696	609
Interest & Dividends received		299,206	329,599
Sale of Investments		1,671,334	817,907
		1,975,236	1,148,115
Cash was applied to:			
Purchase of property, plant and equipment		130,705	32,606
Purchase of Investments		965,972	1,054,448
		1,096,677	1,087,054
Net Cash Inflow from Investing Activities		878,559	61,061
Net Increase/(Decrease) in cash and cash equivalents		(596,535)	280,239
Cash and cash equivalents at 1 July		1,037,960	757,721
Cash and cash equivalents at 30 June	8	441,425	1,037,960

The accompanying notes on pages 20 to 28 form part of and should be read in conjunction with these financial statements

Notes to the Financial Statements

For the year ended 30 June 2016

1. Reporting Entity

The Arthritis Foundation of New Zealand Inc (the Foundation) is registered under the Incorporated Societies Act 1908 and the Charities Act 2005 and is domiciled in New Zealand. It operates under the name Arthritis New Zealand.

The principal activity of the Foundation is to raise awareness and provide advocacy, information, education, and support services for people affected by arthritis.

The financial statements of the Foundation are for the year ended 30 June 2016. The financial statements were authorised for issue by the Governing Body on 26th September 2016.

2. Basis of Preparation

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with the PBE Accounting Standards as appropriate for Tier 2 not-for profit public benefit entities. The Foundation is a Tier two reporting entity as it is not publicly accountable and is not large as it has total expenditure of less than \$30 million in the two preceding reporting periods.

These financial statements are the first prepared in accordance with PBE Accounting Standards. There has been no impact on the statement of comprehensive revenue and expenses or the statement of financial position as a result of the transition to the PBE accounting standards.

Basis of measurement

The financial statements are prepared on the historical cost basis, except for financial instruments that are classified as available-for-sale which are stated at their fair value.

Presentation currency

These financial statements are presented in New Zealand dollars (\$).

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation

Revenue

Grant funding (Non-exchange)

The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset. Stipulations that are 'conditions' specifically require the Foundation to return the resources received if they are not used in the way stipulated. Grants received that are subject to conditions are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Stipulations that are 'restrictions' do not specifically require the Foundation to return the resources received if they are not utilised in the way stipulated and are recognised as received

Bequests (Non-exchange)

Revenue from bequests is recognised when the bequest funds are received unless there is an attached condition. Where a bequest is given with specified restriction, the funds received are placed in an appropriate reserve fund and applied to expenditure that meets the specified restriction.

Services provided (Exchange)

Revenue from services rendered is recognised in the Statement of Comprehensive Income as services are provided.

Members subscriptions

Members Subscriptions are recognised in the membership period to which they relate.

Cash contributions from the community

Cash contributions from the community in the form of general donations and appeals are recognised in the Statement of Comprehensive Revenue and Expense at the point at which they are receipted into the Foundation's bank account.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income over the lease term as an integral part of the total lease expense.

Finance income

Finance income comprises dividend and interest income. Interest income is recognised as it accrues, using the effective interest method.

Income tax

The Foundation is registered as a Charitable Foundation and is exempt from Income Tax. The Foundation is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations..

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Investments**Shares and managed bond funds**

The Foundation's investments in shares and managed bond funds are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value which is based on listed market information. The fair value of these investments is their quoted bid price at the end of the reporting period.

Changes in fair value, other than impairment losses, are recognised within reserves in equity. An equity investment is considered impaired when its fair value has decreased by more than 20% of its cost or its fair value has been below its cost for a prolonged period exceeding 9 months. Such loss is recorded in the Statement of Comprehensive Income. When an investment is sold, the cumulative gain or loss previously recognised in equity is transferred to Statement of Comprehensive Revenue and Expense.

Term deposits

The Foundation's investments in term deposits are classified as held-to-maturity investments. They are measured at amortised cost and it is the Foundation's policy to hold these investments until maturity date.

Property, furniture and equipment

Items of property, furniture and equipment are stated at cost, less accumulated depreciation and impairment losses. Depreciation is charged to the Statement of Comprehensive Revenue and Expense using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The residual value of assets is reassessed annually.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, foreign currency call accounts and short-term deposits with a maturity of 3 months or less from acquisition date.

Impairment

The carrying amounts of the Foundation's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expense.

Estimated recoverable amount of other assets, e.g. property, furniture and equipment, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. The assets of the Foundation are used in providing the Foundation services and are therefore considered for impairment on the overall performance of the Foundation.

Provisions

A provision is recognised when the Foundation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

4. Financial Risk Management

The Foundation is subject to market risk (including currency risk and price risk), credit risk, cash flow interest rate risk and liquidity risk. The Foundation does not have any derivatives.

Market risk

The Foundation invests in cash in bank accounts, fixed interest investments and equities. Investments are constantly monitored by the Foundation. There has been no change to the Foundation's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Foundation is exposed to currency risk on its Australian investments. The Governing Body does not consider this to be a significant financial risk for the Foundation and accordingly, no sensitivity analysis is provided. The Foundation has no other exposure to foreign currency risk.

Notes to the Financial Statements

For the year ended 30 June 2016

Price Risk

The Foundation has moderate exposure to price risk through its investments in New Zealand and Australian equities. This risk is managed by holding a diversified portfolio across a broad range of companies. The Foundation has no other exposure to price risk. A 10% change in price will increase/decrease the value of investments held at reporting date by \$368,675 (2015: \$368,678) with corresponding increase/decrease in the reserves.

Interest rate risk

The Foundation has minimal exposure to interest rate risk on financial liabilities as it does not have borrowings which are subject to interest charge. The sensitivity below has been determined based on the exposure to interest rates on the book value of interest-bearing financial instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease in interest rate is used. At reporting date, if the interest rate had been 50 basis points higher or lower and all other variables held constant, the surplus would increase/decrease by \$21,097 (2015: \$22,506).

Credit Risk

Credit risk is the risk that the counterparty to a transaction with the Foundation will fail to discharge its obligations, causing the Foundation to incur a financial loss.

Financial Instruments, which potentially subject the Foundation to credit risk, consist principally of bank balances, trade and other receivables, and managed bond funds. The carrying amounts of these items reflected in the Statement of Financial Position represent the Foundation's maximum exposure to credit risk for such loans and receivables. The Foundation does not have any guarantees. The Foundation continuously monitors its exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Foundation will have insufficient funds on hand to meet its commitments. The Foundation actively monitors its liquidity position to ensure that sufficient funds are available to meet its liabilities as they arise.

The Foundation deems that exposure to liquidity risk is minimal due to minimal long term liabilities. Short term liquidity risk is managed through maintaining adequate reserves and cash to match financial liabilities. The Foundation continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and obligations.

5. Property, Furniture and Equipment

	Furniture and Equipment	Improvements to Leasehold Premises	Land and Buildings	Total
2016				
Cost at 1 July 2015	561,705	–	650,000	1,211,705
Additions	19,025	111,680	–	130,705
Disposals	(14,951)	–	–	(14,951)
Cost at 30 June 2016	565,779	111,680	650,000	1,327,459
Accumulated Depreciation at 1 July 2015	422,398	–	160,875	583,273
Current year depreciation	51,796	1,551	19,500	72,847
Disposals	(11,255)	–	–	(11,255)
Accumulated Depreciation at 30 June 2016	462,939	1,551	180,375	644,865
Carrying value	102,840	110,129	469,625	682,594
2015				
Cost	561,705	–	650,000	1,211,705
Accumulated depreciation	422,398	–	160,875	583,273
Carrying value	139,307	–	489,125	628,432
Current year depreciation	63,979	–	13,000	76,979

The estimated useful lives of major classes of assets and resulting rates of depreciation are as follows:

- Office furniture & Equipment: 10–30% SL
- Improvements to Leasehold Premises: 17% SL
- Buildings: 3% SL

6. Investments

	2016	2015
General and Special Purpose Funds		
Shares	1,602,770	1,592,318
Units in Managed Bond Funds	2,354,599	2,237,989
	3,957,369	3,830,307
Research funds		
Shares	2,083,984	2,094,463
Units in Managed Bond Funds	1,330,175	933,444
	3,414,159	3,027,907
Total Investments – non-current	7,371,528	6,858,214
General & Special Purpose funds		
Term Deposits	–	463,790
Research funds		
Term Deposits	102,232	302,232
Total Investments – current	102,232	766,022
Total Investments	7,473,760	7,624,236

The Foundation holds investments in listed New Zealand and Australian companies and Managed Bond Funds. These investments are held as available-for-sale investments which mean that they are recorded at fair value which is the market price at balance date. These investments are considered to be Level One in the fair value hierarchy, whereby market prices are readily available. The Foundation holds investments in term deposits with a maturity term of more than 3 months returning 3.5%p.a. (2015: between 3.75% and 4.5%p.a.).

7. Trade and Other Receivables

	2016	2015
Accounts receivable	86,802	85,091
Prepayments	863	4,601
Sundry receivables	10,153	13,482
GST receivable (payable)	4,554	6,955
	102,372	110,129

8. Cash and Cash Equivalents

General & Special Purpose Funds		
Bank balances	426,251	726,558
Short Term Deposits	–	203,470
	426,251	930,028
Research Funds		
Bank Balances	15,175	107,931
Total Cash and cash equivalents	441,425	1,037,960

Cash and cash equivalents comprise cash balances and short-term deposits with a maturity of 3 months or less.

Notes to the Financial Statements

For the year ended 30 June 2016

9. Equity

Research Fund

This Fund comprises the National and Auckland General Research Funds and the Wellington Osteoporosis Research Fund and is maintained to ensure a continuing source of financial contribution toward the cost of grants provided by the Foundation for quantitative and qualitative research studies in the field of arthritis. The Fund receives contributions from specified bequests, donations and income earned on the capital sum invested. Grants from the Fund are considered by the Governing Body each year following an advertising, review and recommendation process completed by a Research Grants Committee.

General Fund

This Fund comprises the accumulated net surpluses of the Foundation that have not been restricted by donors or designated by the Governing Body for specified purposes. It provides:

- Working capital for the Foundation's operations
- A source of income to contribute to financing the work of the Foundation
- Assurance of financial stability to complete major projects

Special Purpose Funds

- **Irwin Isdale Memorial Fund** – This fund commemorates the work of the late Dr Irwin Isdale

in the field of rheumatology by providing support for rheumatology trainees to help them attend rheumatology conferences and meetings in Australia and New Zealand.

- **Whitwell Bequest Fund** – This fund originated in 1983 from a bequest from the Estate of Mrs. Whitwell and is held to support the Foundation's services in the Canterbury/Westland region.
- **Pierce Bequest Fund** - This fund was established from a bequest from the Estate of Mr. A. G. Pierce and is held to support the Foundation's services in the Putaruru region.
- **Ham Bequest Fund** – This fund has been established from a bequest from the Estate of Ms H.B. Ham and is held to support the Foundation's services in the Northland region.
- **Taranaki Youth Scholarship Fund** – This fund was established by the previous Taranaki Division to assist young arthritis sufferers from the Taranaki region with their education.
- **Wellington Education Fund** – This fund was established by the previous Wellington Division to assist young arthritis sufferers from the Wellington region with their education.

Endowment Fund

This fund has been established by the Governing Body to provide a long-term facility to accumulate reserves and ensure financial stability for the Foundation.

	2016	2015
Appropriations to/(from) Special Purposes Funds:		
Share of Investment returns for the year	61,600	58,450
Distribution from Ham Estate credited to Ham Bequest Fund	9,362	264,552
Appropriation from Ham Bequest Fund for services in Northland	(46,601)	(41,651)
Appropriations from other Funds	(11,180)	(13,161)
	13,181	268,190
Appropriations to Endowment Fund:		
Share of Investment Returns for the year	44,085	47,834
Appropriation from Surplus for the year	-	-
	44,085	47,834
Total Appropriations from General Fund	57,266	316,024

10. Employee Benefits

	2016	2015
Current		
Payroll Accruals	34,824	112,449
Liability for Holiday Pay	111,977	86,934
	146,801	199,383
Non-current		
Liability for Long-Service Leave	5,640	4,617
	152,441	204,000
11. Trade and Other Payables		
Trade Payables	100,333	144,605
Non-trade Payables and Accrued Expenses	69,584	126,959
	169,917	271,564
12. Revenue in Advance		
Grants from the Community	49,024	64,632
Grants from New Zealand Lottery Grants Board	182,450	204,928
Membership Subscriptions	3,552	22,657
	235,026	292,217

Revenue in Advance includes grants awarded for specific purposes. Due to conditions of these grants being unfulfilled at 30 June 2016, in that the expenditure to which they relate is yet to be incurred, the amount is recorded as revenue in advance at 30 June 2016.

Notes to the Financial Statements

For the year ended 30 June 2016

13. Contributions from the Community

	2016	2015
Revenue		
Donations, Appeals & Fundraising	670,269	867,930
General Purpose Bequests	695,745	1,524,315
Special Purpose Bequests	9,362	264,552
Grants from Community Trusts	515,001	345,576
Grants from New Zealand Lottery Grants Board	292,478	380,516
Grants from Community Organisation Grants Schemes	53,650	40,024
Grants from other Government Agencies	20,610	18,839
Sponsorship Income	122,875	146,790
Total Contributions from the Community	2,379,989	3,588,542
Expenses		
Employee Benefits	422,427	396,654
Advertising & Direct Marketing	216,783	234,945
Other Fundraising Costs	17,716	23,144
Total Fundraising Costs	656,926	654,743
Net Contributions from the Community	1,723,063	2,933,799

Contributions from the community to support the Foundation in pursuit of its mission are gratefully acknowledged. Gifts of money and property are included in the Financial Statements. Support is also given through the provision of services at special or discounted rates.

The Foundation gratefully acknowledges general purpose bequests of \$175,000 from the Estate of the late F.G. Robertson, \$163,156 from the Estate of the late J.M. McArthur, \$97,777 from the Estate of the late Y.I. Abbott and a further \$8,915 (2015: \$336,222) from the Estate of the late R.A. Howie.

The Foundation also acknowledges a further Special Purpose Bequest of \$9,362 (2015: \$264,552) from the Estate of the late H.B. Ham, the proceeds of which were appropriated to the Ham Estate Bequest Fund and the funds invested. Income from these investments has been used for the purpose of the Foundation's services in the Northland region.

The Foundation also relies on gifts of volunteer time and expertise to complete work in many essential roles such as National Governance (Board and Committees), Regional Liaison Groups, Promotion, Fundraising, Investments, Administration, Accounting, Awards and Grants. No attempt has been made to record the value of these contributions.

Sponsorship income is received as part of co-operative projects completed with other organisations.

14. Services and Programmes

	2016	2015
Revenue		
National Health Contract Income	376,839	375,450
Other Contract Income	280,739	287,218
Client Service Charges	84,632	79,153
Other income	43,431	45,703
Total Income from Services and Programmes	785,641	787,524
Expenses		
Employee Benefits	1,051,731	1,084,875
Arthritis Information Resources	29,423	45,442
Volunteer Coordination & Development	51,143	57,220
Public Awareness Campaigns	70,314	273,396
General Awareness & Newsletters	56,234	76,385
Service Delivery Direct Costs	353,944	360,435
National Conference	76,952	–
Service Delivery Support	196,742	211,698
Total Cost of Services and Programmes	1,886,483	2,109,451
Net Cost of Arthritis Services and Programmes	(1,100,842)	(1,321,927)

The Foundation is contracted nationally to the Ministry of Health through the Capital & Coast DHB to provide arthritis information services.

15. Administration Expenses

	2016	2015
Audit Fees	23,625	23,625
Advisory Fees – KPMG	95,743	–
Employee Benefits	929,657	900,452
Legal Expenses	14,517	8,348
Property & Office Expenses	293,215	282,905
Communications Expenses	24,975	23,987
Travelling Expenses	32,453	37,920
General Administration Expenses	48,579	61,496
	1,462,762	1,338,733

16. Net Finance Income

General Funds		
Dividends	80,045	74,385
Interest income	90,874	115,451
Profit on disposal of investments	134,104	41,218
	305,023	231,054
Research Funds		
Dividends	98,342	99,518
Interest income	43,383	52,335
Profit on disposal of investments	198,030	184,209
	339,755	336,062
Net Finance Income	644,778	567,116

Notes to the Financial Statements

For the year ended 30 June 2016

17. Impairment of Investments

	2016	2015
General Fund	8,831	–
Research Fund	12,403	–
Total Impairment of Investments	21,234	–

18. Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities

	2016	2015
Surplus/(Deficit) for the Year	(536,081)	583,226
Adjustments:		
Depreciation	72,847	76,979
Impairment of Investments	21,234	–
Net Finance Income	(644,778)	(567,116)
(Profit) on Disposal of Property, furniture & equipment	(1,000)	(609)
	(551,697)	(490,746)
Movements in Working Capital and Liabilities:		
Decrease in Trade & Other Receivables	7,757	58,205
Increase/(Decrease) in Liabilities	(395,073)	68,493
	(387,316)	126,698
Net Cash Inflow/(Outflow) from Operating Activities	(1,475,094)	219,178

19. Operating leases

Leases as Lessee

	2016	2015
Non-cancellable property lease rentals are payable as follows:		
Less than one year	93,818	102,995
Between one and five years	321,776	55,663
More than five years	75,025	–

20. Contingencies

There are no material contingent liabilities at the end of the reporting period.

21. Subsequent Events

There have been no significant events after the end of the reporting period that have affected the accuracy of these financial statements.

Grants and Bequests

Grants

Received from the many Trusts and Foundations who support our work in the community.

33 Club Trust Board Inc
 A D Hally Trust
 Access Ability Charitable Trust
 ACE Shacklock Charitable Trust
 Ara Lodge No 348 Charitable Trust Board
 Ashburton Trust Charitable Foundation
 B & C Hewett Charitable Trust
 Beatrice Georgeson Trust
 Bendigo Valley Sports And
 Charity Foundation
 Bill Blackadder Trust
 Blue Waters Community Trust
 BlueSky Community Trust Ltd
 Canterbury Arthritis Support Trust
 Christchurch City Council
 – Strengthening Communities
 COGS – Central Otago
 COGS – Coastal Otago/Waitaki
 COGS – Far North
 COGS – Hutt Valley
 COGS – Kahungunu Ki Heretaunga
 COGS – Kirikiriroa/Hamilton City
 COGS – Manawatu/Horowhenua
 COGS – Manukau
 COGS – Mataatua
 COGS – Nelson/Bays
 COGS – North Taranaki
 COGS – Papakura/Franklin
 COGS – Rotorua
 COGS – South Taranaki
 COGS – South Waikato
 COGS – Tairāwhiti
 COGS – Tamatea/Tamaki-Nui-A-Rua
 COGS – Tauranga/Moana
 COGS – Tongariro
 COGS – Waikato West
 COGS – Wairarapa
 COGS – Waitakere City
 COGS – Wellington
 COGS – Whanganui/Waimarira/Rangitikei
 COGS – Whangarei/Kaipara
 COGS – Whitiareia
 Community Trust of Mid & South
 Canterbury Inc
 Community Trust of Southland
 Doris M Partridge Charitable Trust
 Douglas Goodfellow Charitable Trust
 Dragon Community Trust Ltd
 Dunedin City Council – Community Grants
 E B Firth Charitable Trust
 Eastern & Central Community Trust
 Endeavour Community Foundation
 Esme & Tom Tombleson Charitable Trust
 Fenix Foundation
 First Sovereign Trust Ltd
 Four Winds Foundation
 Frances Skeet Charitable Trust

H & K Reynolds Charitable Trust
 Hilda Curtis Charitable Trust
 Horowhenua District Council
 Independent Living Services Inc
 Infinity Foundation Ltd
 Irene Munro Charitable Trust
 J N Williams Memorial Trust
 J B W McKenzie Trust
 Jim & Tom Hickey Charitable Trust
 John Beresford Swan Dudding Trust
 Joyce Fisher Charitable Trust
 Kaiapoi Community Board
 Kathleen Dorothy Kirkby
 Charitable Trust
 Lands Trust Masterton
 Leys Charitable Trust
 Masterton District Council
 Nelson City Council
 New Life Trust
 Nikau Foundation
 New Zealand Lottery Grants Board
 P H Vickery Trust
 Pelorus Trust
 Pub Charity Ltd
 R G & E F MacDonald Trust Board
 Redwood Trust Inc
 Rotary Club of South Wairarapa
 Rotorua Energy Charitable Trust
 Rotorua Lakes Council – Community Grants
 SKYCITY Queenstown Casino
 Community Trust
 Southland District Council
 Community Initiatives Fund
 St Albans-Shirley Club Inc
 The B A Lewis Charitable Trust
 The Disability Community Trust Inc.
 The Douglas Charitable Trust
 The Eric Hattaway Bridgman Trust Fund
 The James Russell Lewis Trust
 The Lawrance and Stephanie Russell
 Charitable Trust
 The Lion Foundation
 The Oxford Sports Trust
 The Southern Trust
 The Torhaven Trust
 The Trusts Community Foundation
 The Vernon Hall Trust Fund
 Trillian Trust
 Trinsley Charitable Trust
 Trust House Foundation
 Trust Waikato
 Upper Hutt City Council
 W Duncan Bickley Trust Fund
 Waimate District Council
 – Community Grants Fund
 Waiora Community Trust (Taupo) Inc
 Wanganui South Rotary Community Trust
 Western Bay of Plenty Disability
 Support Trust
 Whanganui Community Foundation
 William Downie Stewart Charitable Trust

Bequests

We gratefully acknowledge the estates of the following people, and their families for their generosity and support in ensuring their interests in our services continue:

Yvonne I Abbott
 J L Bitchener
 R F Bowden
 Reginald W Boyes
 Olive Brosnan
 Phyllis J Cottle
 Ellen D Dwyer
 Hazel Bernice Ham
 Ruth A Howie
 Martha Elizabeth Jones
 Elizabeth Kennedy
 Frances E Kenny
 Leonora Knapp
 Doris E L Lane
 Jean M McArthur
 W H Meek
 Middleton Charitable Trust
 Margaret A F Mollring
 Irene L Neilson
 Margaret E Fellow
 Albert A Roberts
 Freda G Robertson
 Gertrude Robinson
 Alan S Rowe
 William Ivan Scott
 Betty Shaw Endowment Fund
 Henry George Sparks
 Tutai Stewart
 M E Tomlinson
 Lillian Grace Tongue Trust
 John & Elsie Walsh Trust
 Maisie Hayes & Charlie Warr
 Memorial Trust
 Edith E Watts
 Noelene R Wevell
 Eunice Arban Whishaw
 Jean N Whitcombe

National Office

Level 2, 120 Featherston Street

PO Box 10020, the Terrace,
Wellington, 6143

Phone: 04 472 1427, Fax: 04 472 7066

Regional Offices

Northern (Auckland): 09 523 8900

Midland/Central (Wellington): 04 472 1427

Southern (Christchurch): 03 366 8383

0800 663 463

www.arthritis.org.nz



**ARTHRITIS
NEW ZEALAND**

KAIPONAPONA AOTEAROA